Decline in the percentage of small savings, vis-a-vis GDP

†520. SHRI KAPIL SIBAL:
SHRI BALWANT SINGH RAMOOWALIA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that percentage of the domestic small savings out of Gross Domestic Product in the country has been constantly declining for the past few years;

(b) if so, what was the percentage of domestic small savings out of Gross Domestic Product during 1996-97, 1997-98 and 1998-99; and

(c) what are the estimates of such per cent in the first nine months of the year 1999-2000 alongwith the reasons for the decline in this percentage?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR): (a) No, Sir.

(b) Does not arise.

(c) The estimates of Gross Domestic Product are for the full year and the comparison with the total small savings collections for the first nine months is not apt.

Foreign Exchange Reserves in the Country

†521. SHRI KAPIL SIBAL:
SHRI BALWANT SINGH RAMOOWALIA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that there are adequate foreign exchange reserves in the country;

(b) if so, the details of maximum and minimum amount of the foreign exchange reserves during first 10 months of the financial year 1999-2000; and

(c) the amount received from the resources from which is included in the said foreign exchange reserve together with the

†Original notice of the question received in Hindi.

amount received from these sources during the said period while having the maximum amount in the reserve?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR): (a) India's foreign exchange reserves, including gold and SDRs, as on February 18, 2000 amounted to US $ 35193 million, which is considered adequate, judged in terms of critical indicators such as, import cover of reserves and debt service payments.

(b) During the first ten months (April 1999 to Janaury 2000) of the financial year 1999-2000, the level of foreign exchange reserves was maximum at US $ 35170 million on January 21, 2000 and it was minimum at US $ 32535 million on April 1, 1999.

(c) Movements in foreign exchange reserves reflect the net outcome of inflows and outflows of foreign exchange on account of transactions in the current and capital accounts of India's balance of payments. Therefore, it is not possible to establish one-to-one correspondence between changes in reserves and movement in each of these transactions. However, it can be stated that the build up of foreign exchange reserves in the current financial year so far has been made possible largely because of sharp recovery of exports, buoyancy in invisible receipts, sharp turnaround in portfolio investments by Foreign Institutional Investors (FIIs) and signficant net accretions to Non-Resident Indian (NRI) deposits.

Permission to Banks for Entering into insurance Sector

522. DR. MOHAN BABU: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Reserve Bank of India guidelines prohibit the banks to enter into the insurance sector;

(b) if so, whether a proposal to grant permission to the banks to enter into the insurance sector is under consideration of the Government; and